

**FORM
INSP**Rev
X/20**State of Colorado
Oil and Gas Conservation Commission**1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

01/24/2023

Submitted Date:

01/27/2023

Document Number:

696105694

FIELD INSPECTION FORMLoc ID 432694 Inspector Name: Edwardson, Dylan On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10651

Name of Operator: VERDAD RESOURCES LLC

Address: 1125 17TH STREET SUITE 550

City: DENVER State: CO Zip: 80202

Status Summary:☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**

12 Number of Comments

6 Number of Corrective Actions

☒ Corrective Action Response Requested**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE****Contact Information:**

Contact Name	Phone	Email	Comment
Cugnetti, Mike		Mcugnetti@verdadoil.com	
,		regulatory@verdadoil.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
432694	LOCATION	AC			-	Shull 1-35-9-60 PAD	RI
432695	WELL	PR	08/01/2019	OW	123-37237	Shull 2-35-9-60	RI
432697	WELL	PR	09/01/2019	OW	123-37239	Shull 1-35-9-60	RI
438512	WELL	PR	05/01/2021	OW	123-40028	Shull 3-35-9-60	RI

General Comment:

This is an Interim Reclamation and Stormwater Inspection for Location ID (432694).

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

Type	UNUSED EQUIPMENT		
Comment:	Unused equipment (e.g. pipe and cattle panels) were observed near the well heads. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606 and remove any unused equipment.		Date: <u>02/06/2023</u>
Type	WEEDS		
Comment:	Undesirable vegetation (e.g. russian thistle and kochia) was observed throughout the location and is now considered debris and needs to be removed from location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606.		Date: <u>02/06/2023</u>
Type	TRASH		
Comment:	Trash was observed throughout the location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606.		Date: <u>02/06/2023</u>

Overall Good: ☐**Spills:**

Type	Area	Volume		
Other		<= 1 bbl		
Comment:	Compressor station has an apparent antifreeze spill; unsure if leaking underneath the unit. Oil stained soil was also observed around the engine skid unit. Refer to attached inspection photos. Spoke with Operator on 01/27/2023 to notify of leak; Operator stated they would get someone out there to clean up ASAP.			
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a.			Date: <u>02/27/2023</u>
Other	Tank	<= 1 bbl		
Comment:	Unkown fluid leaking from tank near well head. Refer to attached inspection photos.			
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a.			Date: <u>02/27/2023</u>

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Fencing/:**

Type			
Comment:	Wildlife protection devices not adequate. No exclusion fencing or door around compressor station where antifreeze spill was identified; this presents a hazard to wildlife and should be protected from wildlife entry/contact. Refer to attached inspection photos.		
Corrective Action:	Install or repair wildlife protection equipment per Rule 902.b. Operator shall install temporary exclusion devices (e.g. snow fence or similar) to exclude wildlife from coming in contact with antifreeze immediately and consider a more permanent exclusion device to prevent future contact.		Date: <u>02/08/2023</u>

Venting:

Yes/No			
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Comment:			
Corrective Action:		Date:	
Flaring:			
Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities									
Facility ID:	<u>432694</u>	Type:	<u>LOCATION</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>432695</u>	Type:	<u>WELL</u>	API Number:	<u>123-37237</u>	Status:	<u>PR</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>432697</u>	Type:	<u>WELL</u>	API Number:	<u>123-37239</u>	Status:	<u>PR</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>438512</u>	Type:	<u>WELL</u>	API Number:	<u>123-40028</u>	Status:	<u>PR</u>	Insp. Status:	<u>RI</u>

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment [See "Good Housekeeping" section comments.](#)

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment [See "Good Housekeeping" section comments.](#)

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment Undesirable vegetation (e.g. russian thistle and kochia) was observed throughout the location and needs to be managed in the future. An inspection will be conducted at a later date to ensure compliance with 1003 Rules.

Corrective Action Date _____

Overall Interim Reclamation**Final Reclamation/ Abandoned Location:**

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND _____

Reminder: _____

Comment:

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment:

Corrective Action: Date _____

Overall Final Reclamation	Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>
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Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: At the time of this inspection, no erosion issues were observed at location or along the access road.

Operator shall continue to monitor and manage this site for stormwater run on and runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation until the facility is abandoned and final reclamation is achieved pursuant to Rule 1004.

Corrective Action:

Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	438331	400633095	
	438331	400633095	

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
696105703	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6000712